

CASE

NUMBER:

99-230

INDEX FOR CASE: 99-230

FRANCIS WATER COMPANY

Deviation

807 KAR 5:066 SECTION 6(3) - WATER LOSS

IN THE MATTER OF THE DEVIATION FROM 807 KAR 5:066
SECTION 6(3) REGARDING UNACCOUNTED-FOR WATER LOSS OF FRANCIS
WATER COMPANY, INC.

SEQ NBR	ENTRY DATE	REMARKS
0001	06/01/99	Application.
0002	06/08/99	Acknowledgement letter.
0003	08/02/99	FINAL ORDER; AUTHORIZES FREE WATER SERVICE TO OFFICERS, AGENTS & EMPLOYEES



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-230
FRANCIS WATER COMPANY

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on August 2, 1999.

Parties of Record:

Danny F. Francis
President
Francis Water Company, Inc.
P. O. Box 38
Garrett, KY. 41630 0038

Stephanie J. Bell

Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE DEVIATION FROM 807 KAR 5:066,)
SECTION 6(3) REGARDING UNACCOUNTED-) CASE NO. 99-230
FOR WATER LOSS OF FRANCIS WATER)
COMPANY, INC.)

O R D E R

On June 1, 1999, Francis Water Company, Inc ("Francis") filed a letter requesting Commission approval to provide free water service to the owners of Francis. This letter was in response to an inspection of Francis by PSC Staff, which disclosed water loss in excess of 15 percent. Francis indicated the loss was partly due to providing water to the owners of Francis. In its request Francis indicated it wished to grant free rate service to the properties owned by the owners of Francis. Francis also requested permission to grant free water service to the original home of the owners of Francis.

807 KAR 5:066, Section 6(3), applies to water loss for rate-making purposes, which is not the case here. Upon reviewing the record the Commission finds that, while the case caption indicated it is a deviation from 807 KAR 5:066, Section 6(3), the evidence shows the subject matter of this case to be a request to grant free water and therefore subject to KRS 278.170(2).

KRS 278.170(2) provides:

Any utility may grant free or reduced rate service to its officers, agents or employees, and may exchange free or reduced rate service with other utilities for the benefit of the officers, agents and employees of both utilities. Any utility may grant free or reduced rate service to the United States, to charitable and eleemosynary institutions, and to persons engaged in

charitable and eleemosynary work, and may grant free or reduced rate service for the purpose of providing relief in case of flood, epidemic, pestilence or other calamity. The terms "officers" and "employees," as used in this subsection, include furloughed, pensioned and superannuated officers and employees, and persons who have become disabled or infirm in the service of the utility. Notice must be given to the commission and its agreement obtained for such reduced rate service except in case of an emergency, in which case the commission shall be notified at least five (5) days after the service is rendered.

This statute sets out to whom a utility may grant free or reduced rate service. The statute further defines the term "officers" and "employees." Any request for free rate service other than that contained in KRS 278.170(2) must be denied.

IT IS THEREFORE ORDERED that:

1. Francis is authorized to grant free water rate service to its officers, agents, and employees on or after the date of this Order.
2. The request to grant free water rate service to those not specified in KRS 278.170(2) is denied.
3. Francis shall file with the Commission a tariff sheet disclosing its free or reduced rate service.

Done at Frankfort, Kentucky, this 2nd day of August, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

June 8, 1999

Danny F. Francis
President
Francis Water Company, Inc.
P. O. Box 38
Garrett, KY. 41630 0038

RE: Case No. 99-230
FRANCIS WATER COMPANY
(Deviation) 807 KAR 5:066 SECTION 6(3) - WATER LOSS

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received June 1, 1999 and has been assigned Case No. 99-230. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/jc

FRANCIS WATER COMPANY, INC.
P.O. BOX 38
GARRETT, KENTUCKY 41630-0038

May 26, 1999

RECEIVED
JUN 01 1999
PUBLIC SERVICE
COMMISSION

Commonwealth of Kentucky
Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602

Commission Members:

Case 99-230

A recent inspection of our water system revealed that we were not in compliance with 807 KAR 5:066 Sec.6(3). Our water loss was in excess of 15% of the water our system produced. One area of water loss was because of the fact that we grant free water service to the owners of Francis Water Company. It has been brought to our attention that we are not allowed to do this without approval from the Commission.

We are now requesting permission to grant free rate service to the properties owned by the owners of Francis Water Company, Inc. This request includes properties occupied by immediate family members and owners of the Water Company. We would like to include in this request permission to grant free rate service to the original home of the owners of the Water Company. The home is occupied approximately 4 to 5 weeks a year. The properties owned by owners of Francis Water Company, Inc. would be four in number.

Thank you for your consideration.

Danny F. Francis
Danny F. Francis, President
Francis Water Company, Inc.